

## **Office of Trade Relations Trade Modernization Subcommittee Status Report**

### **General description**

#### **Objective/Goal of the subcommittee**

The primary objective/goal of the subcommittee is to provide advice and recommendations to Customs and Border Protections (CBP) related to the trade modernization efforts of CBP. Advice will be given in the areas of the Automated Commercial Environment (ACE), the Role of the Broker initiative and Centers of Excellence and Expertise.

#### **Where does it fit in our trade transformation strategy?**

- *Role of the Broker:* Consistency & Harmonization, Modernization, Co-creation, Bi-directional Education.
- *ACE:* Modernization, Bi-directional Education, Consistency & Harmonization, Co-creation.
- *Centers of Excellence and Expertise:* Consistency & Harmonization, Modernization, Co-creation, Bi-directional Education.

#### **Chair/Co-Chair Names**

The COAC Trade Co-Chair is Jim Phillips, General Motors LLC. The government subcommittee Co-Chairs are Cynthia Whittenburg, Executive Director, Trade Policy and Programs, Office of International Trade, CBP, Brenda Smith, Executive Director, ACE Business Office, Office of International Trade, CBP, and Troy Riley, Executive Director, Commercial Targeting & Enforcement, Office of International Trade.

#### **Number of participants from COAC**

The Trade Modernization subcommittee is comprised of 13 COAC members.

#### **Meetings**

The Trade Modernization subcommittee met on February 4 and April 22 in 2014. Since the February 20 COAC quarterly meeting the ACE working group met 3 times and the Role of the Broker working group met 5 times.

### **Working groups under this subcommittee**

#### **Role of the Broker Working Group (ROTB):**

**Goal:** To give recommendations for various aspects of Customs and Border Protections effort to modernize and enhance the Role of the Customs Broker.

**Background:** : At the first quarterly meeting of the 13<sup>th</sup> Term of COAC the subcommittee submitted recommendations regarding how Brokers will interact with Centers of Excellence and Expertise. At the August 2013 meeting the subcommittee submitted recommendations regarding continuing education for Brokers. At the November 2013 meeting the subcommittee submitted recommendations regarding how Brokers can help obtain enhanced bona fides for importers through direct communication with the importer, an enhanced CBP Form 5106 and recognition of Broker best practices for insuring the bona fide nature of an importer.

## **For Public Distribution**

**Update:** The working group has presented draft recommendations to the subcommittee for presentation at the May 22, 2014 COAC meeting. These recommendations address a COAC position supporting a CBP change from issuing Customs Broker licenses by district to only issuing a single, national permit. In addition the Working Group has been discussing the development of recommendations regarding Bona Fides and a position on new data elements being added to the CBP Form 5106.

### **Centers of Excellence and Expertise (CEE) Working Group:**

**Goal:** The working group will work on giving recommendations of efficient operating practices and policies based on situational needs as identified by CBP and the trade community. In addition recommendation of metrics and measures based on feedback from the trade community at large may be obtained.

**Update:** The subcommittee discussed the current status of the CEEs in the context of what was originally envisioned by COAC and had expressed a very positive attitude toward CEEs to date.

### **ACE Working Group:**

**Goal:** To provide recommendations to the subcommittee regarding the ACE Deployment Strategy and the ACE Stakeholder Strategy.

**Update:** Having completed previous tasks the workgroup has become dormant until CBP requests assistance with other ACE related tasks. ACE status reports were provided to the subcommittee during this quarter.

## **Highlights**

**Accomplishments:** The Trade Modernization subcommittee through the Role of the Broker Working Group has worked very hard to obtain industry positions and opinions regarding a single national broker's permit. In addition to internal working group deliberation members have gathered information from several industry meetings and major trade events such as the National Customs Broker and Freight Forwarders Annual Conference, WESSCON, Coalition of New England Companies for Trade (CONNECT), the Northern Border Customs Brokers Association as well as other events and meetings.